Sponsored Project vs. Gift

Gift

A gift is defined as any item of value given to the University by a donor who expects nothing significant of value in return other than recognition and disposition of the gift in accordance with the donor’s wishes.

In general, the following characteristics describe a gift:

1. A proposal/request may be submitted to the potential donor that includes a description of the proposed activities, with the understanding that the description of proposed activities is not intended as a commitment to a specific line of inquiry.
2. Gifts may be accompanied by an agreement that restricts the use of funds to a particular purpose. Beyond that, no contractual requirements are imposed (beyond the requirements of responsible stewardship) and there are no “deliverables” to the donor, e.g., no rights to tangible or intellectual property.
3. There is no formal fiscal accountability to the donor beyond periodic progress reports and summary reports of expenditures. These reports may be thought of as requirements of stewardship, and, as such, may be required by the terms of a gift. They are not characterized as contractual obligations or “deliverables.”
4. University of Colorado Denver agrees to use restricted gifts as the donor specifies, and does not accept gifts that it cannot use as the donor intends. If circumstances change such that a gift cannot be used as the donor specified, the donor must approve a change in the original restriction, or UCD must receive court approval to waive the restriction (if the donor cannot be contacted).
5. “Are these funds charitable under tax law?” if so then funds should be consider as a gift.

Sponsored Project

Sponsored Projects are externally-funded activities in which formal written agreement, i.e., grant, contract, or cooperative agreement, is entered into by the University of Colorado Denver and by the sponsor. A sponsored project may be thought of as a transaction in which there is a specified statement of work with a related, reciprocal transfer of something of value.

The following conditions characterize a sponsored project agreement, and help to distinguish such agreements from gifts:

1. Statement of Work – Sponsored projects are typically awarded to the University of Colorado Denver in response to a detailed statement of work and commitment to a specified project plan. As described below, this statement of work is usually supported by both a project schedule and a line-item budget, both of which are essential to financial accountability. The statement of work and budget are usually described in a written proposal submitted by the University of Colorado Denver to the sponsor for competitive review.
2. Detailed Financial Accountability- The sponsored project agreement includes detailed financial accountability, typically including such conditions as:
	1. a line-item budget related to the project plan. The terms of the agreement may specify allowable or unallowable costs, requirements for prior approvals for particular expenditures, etc.
	2. a requirement to return any unexpended funds at the end of that period.
	3. regular financial reporting and audit, including, for federal and state awards, accountability under the terms of the OMB Uniform Guidance.
3. A sponsored project budget will include the University’s full negotiated indirect (F&A) cost rate unless a waiver of those costs has been approved. These conditions generally define the level of financial accountability associated with a sponsored project. While not all of the above conditions are necessary to define a sponsored project, they are collectively indicative of the increased level of financial accountability associated with such projects.
4. Deliverables- Sponsored project agreements also usually include terms and conditions for the disposition of tangible properties (e.g., equipment, records, specified technical reports, theses, or dissertations) or intangible properties (e.g., rights in data, copyrights, and inventions). The presence of such terms and conditions in the agreement indicate that the activity is a sponsored project.